NEWS OF THE WEEK

Charge of Accepting Government "Subsidies" Denied by Book Trade

The question of whether the acceptance of government funds by American newspaper, magazine, book and motion picture companies, funds designed for the conversion of foreign "soft currencies" into dollars in order to achieve wider distribution abroad, constitutes a "subsidy" received front-page publicity recently in Chicago and New York papers. The charge which was made by the Chicago *Tribune* against certain Eastern newspapers and nationally distributed magazines drew vociferous denials from most of the publications concerned. However, the publicity given the matter was probably the cause of a $5,000,000 cash in the funds allocated by the government for this purpose when on June 3 a grant of $10,000,000 was approved by the House Appropriations Committee—which represented a one-third cut from the original $15,000,000.

Despite the postwar boom in foreign trade, which has resulted in record exports from the United States (*PW*, January 24), the acute shortage of dollars in other countries has curtailed the distribution of many American products which are most needed abroad for reconstruction and rehabilitation purposes. The demand for American books, for example, far exceeds the abilities of European countries to pay for them.

The solution adopted by the American government to loosen this trade constriction of informational media was to provide within the framework of the ERP a fund which would enable publishers of American books, magazines and newspapers to accept foreign currencies so as not to suffer a loss on the transaction. This led to charges by the Chicago *Tribune* that "a selected few American newspapers and magazines which shouted the loudest for the 6 billion dollar Marshall Plan are to share approximately 5 million dollars a year under the project. . . . Another 10 million dollars annually is to be divided among book publishers and motion picture producers who similarly were active in the propaganda campaign for the foreign spending experiment."

However, according to the testimony which Noel Macy, assistant director of the State Department's Office of International Information, presented to the Appropriations Committee on June 3, the money allocated would be used only to guarantee the companies against losses in operations. According to Mr. Macy, the following companies would be eligible under the terms of the bill: Loew's, Paramount, Fox, RKO, Universal, Warners, Columbia, Monogram, Republic, United Artists, Selznick and independent producers among the motion picture companies; *Time*, *Life*, *Newsweek*, *Reader's Digest*, the European edition of the New York *Herald Tribune*, (and the following newspapers in occupied areas only) the New York *Times*, the United Press, International News Service; and representing book publishers, the American Textbook Institute, The American Book Publishers Council and the Association of American University Presses.

American book publishers have cooperated with the government on numerous occasions since the end of the war, notably in making available to occupied Germany and Japan translation rights to American books (*PW*, May 3, 1947, January 24, 1948). Under the provisions of the Smith-Mundt Bill, which was designed to provide the State Department with a comprehensive information and cultural program abroad and to facilitate the distribution of American periodicals and motion pictures in other countries (*PW*, January 17, the

amount suggested for the total Smith-Mundt appropriation has been set at $50,000,000. It is not clear whether the $10,000,000 made available under the ERP will be deducted from this appropriation or not (*PW*, May 29). In issuing the pamphlet, *Books in World Rehabilitation* (*PW*, May 1), American book publishers have acknowledged the need for accepting government cooperation in marketing their books abroad.

Harry F. West, managing director of the American Book Publishers Council and representing the three trade associations, issued the following statement on the "subsidy" controversy: "We do not consider that the plan of the Congress embodied in the Economic Cooperation Act (ERP), which will provide a limited number of dollars for the purchase of much-needed American books in ERP countries, can be termed a 'subsidy.' We believe that Congress is capable of legislating intelligently and impartially on appropriations dealing with European rehabilitation. We are prepared to do everything in our power to see that Congressional objectives with respect to books in Europe are carried out. . . . Unless peoples abroad have access to knowledge of our civilization as expressed culturally and technically in our books, we cannot hope for effective cooperation among the Western countries."

On Tuesday, June 8, a small delegation of book publishers went to Washington for the purpose of clarifying the part that books are expected to play in the rehabilitation program for overseas countries. The delegation included Stanley Rinehart and Harry West of the American Book Publishers' Council, and Charles Griffith and Lloyd W. King of the American Textbook Publishers Institute. Several hours were spent conferring with Assistant Secretary of State George Allen who is directing the State Department's foreign informational program. A conference was also held with Paul Hoffman, administrator of the Economic Cooperation Act (ERP), in order to discuss the part that book publishing is expected to play in the ten million dollar program. The delegation, satisfied to obtain a first-hand interpretation of the program, has undertaken to provide certain information needed by Mr. Hoffman and Mr. Allen for the further development of the program.

Religious Publishers Group Elects Officers for 1948-49

► Leon McCauley, manager of the Oxford University Press Bible department, has been elected chairman of the Religious Publishers Group, succeeding Wilbur Davis of the Fleming H. Revell Company. Mr. Davis, with Harry V. Meyer of the National Bible Press, and William P. Adams of Abingdon-Cokesbury, will constitute the executive committee for the coming year.

Other officers elected were Thelma S. Brown, Friendship Press, vice-chairman; Harry J. Feeley, American Book Publishers Council, secretary-treasurer. Father Joseph Carroll of America Press is chairman of the Catholic Committee for the 1948 Catholic Reading list, and Harold Barlow of Morehouse-Gorham heads the Protestant Committee. Mr. McCauley announced that Mr Davis will be the chairman of the membership committee, assisted by Julie Kernan o Longmans, Green, and John Chambers o Harper & Brothers.

Final Book and Author Matinee Held in Wilmington

► The final Wilmington, Delaware, sprin Book and Author "matinee" was held Monday, May 24, at the Hotel DuPont, sponsored by the Wilmington *Sunday Star* an eight bookshops. Rear Admiral E. M. Zacharias, Ret., author of "Secret Missions (*Putnam*); Eleanor Lothrop, author "Throw Me a Bone" (*Whittlesey*); Ren Kuhn, author of "Cornelia" (*Random*) Duncan Aikman, who wrote "The Turnin Stream" (*Doubleday*); Caroline Guild, author of "Rainbow in Tahiti" (*Doubleday*); and John Goette, a special correspondent for the *Star*, were speakers.

The *Star* held the event in the afternoon, from 2-4:00 P.M., rather than at a luncheon, as the result of a questionnaire submitted to the women of the Wilmington area. Recent authors appearing in Wilmington, including Captain Edward Rickenbacker, Russell Janney, Robert St. John, Ralph Ingersoll, Jan Valtin, H. Allen Smith, Robert S. Allen, and Ida Jean Kain, have also favored the change. Visiting authors, however, are the *Star's* guests at a private luncheon preceding the meeting.